

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

July 27, 1965

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico

Attention: Mr. C. D. Borland

Administrative Order PC-277

Gentlemen:

Reference is made to your application dated June 25, 1965, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Blinebry and Penrose Skelly production on your W. T. McCormack Lease comprising the E/2 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that all wells in both pools on said lease are of marginal nature.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provide further that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

Administrative Order PC-161 which authorized the commingling of Blinebry oil production and Drinkard oil production on the subject lease is hereby cancelled.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission (with enclosure) Hobbs
Oil & Gas Engineering Committee - Hobbs